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State Department review completed

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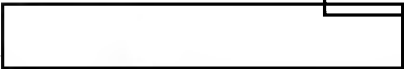

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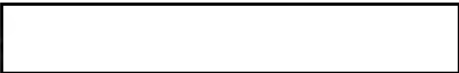
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1. ZHUKOV'S STATUS REMAINS UNSETTLED  
(Information as of 0400 EST)

		<p>Moscow has not yet broken official silence on the future of Marshal Zhukov, despite a number of reports that the matter was placed before a plenum of the central committee yesterday--28 October. There are, however, mounting indications that a serious political conflict is going on in the USSR.</p>

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Western correspondents have managed to clear reports through the Moscow censorship plainly alluding to an early official announcement, and the Soviet military radio in East Germany has referred to such an announcement "in a matter of hours." As of noon Moscow time on 29 October (0400 EST), no such announcement had yet been made.

Foreign Communist correspondents in Moscow, who earlier had shied away from speculating that Zhukov was in disfavor, now have sent out dispatches suggesting that Zhukov had obstructed party control of the armed forces. Pravda's lead editorial for 28 October, which carried a title similar to those used immediately before announcement of the June purge, contained a similar implication in its strong affirmation of party primacy in all areas, including the military. [redacted] some Soviet military officers were interpreting the news of Zhukov's removal as a demotion and were "surprised, shocked, and upset."

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It now appears possible that Zhukov's removal from his defense post was not a conclusive step in the action against him and that the issues at stake were still in doubt when the central committee convened. There is as yet no confirmation for various press reports alleging that Zhukov

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has been removed from the party presidium. A late broadcast, cleared by Soviet censorship, suggested, moreover, that the issue is broader than a simple struggle between Khrushchev and Zhukov and that they may, in fact, be aligned against some third force. It was further stated that the source of conflict was basically an internal problem rather than one of foreign or military policy. The possibility remains that the action with respect to Zhukov, whether promotion or demotion, has not developed smoothly. If so, the positions of other presidium members, including even Khrushchev's, may be in jeopardy.

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2. USSR WANTS DISARMAMENT COMMISSION TO INCLUDE ALL UN MEMBERS

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The Soviet Union proposed on 27 October to replace the present United Nations Disarmament Commission and Subcommittee with a new permanent disarmament commission composed of all 82 United Nations

members. The Soviet disarmament resolutions for a two- to three-year nuclear testing ban and a five-year renunciation by the nuclear powers of the employment of atomic and hydrogen weapons have attracted considerably less support than Soviet leaders apparently anticipated. The Soviet government has, therefore, introduced this scheme with the hope of capitalizing on dissatisfaction over the lack of progress by the 12-power Disarmament Commission and its five-nation subcommittee. Moscow may feel that the proposal will win some support from neutralist states, particularly India, which has submitted a resolution calling for expansion of the present disarmament machinery.

In support of Soviet demands to give fullest publicity to future disarmament negotiations, the proposal calls for continuous, open sessions by the reconstituted commission. Despite Soviet hints that the USSR is reluctant to resume negotiations in the "secluded" atmosphere of the Disarmament Subcommittee as presently constituted, it is unlikely that Moscow would refuse to participate if the General Assembly again refers the question to the subcommittee. The present Soviet move provides, however, another indication that the Soviet government does not believe it is possible to conclude even a partial disarmament agreement at this time.

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### 3. CANADA CONSIDERING MODIFICATION OF ITS STAND ON DISARMAMENT

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Canadian Minister of External Affairs Smith is disturbed at the finality with which Canada has associated itself with other Western powers in disarmament debates and does not wish it to be irrevocably committed to the four-power proposals, according to a Canadian delegate to the UN General Assembly.

Smith, until his appointment as minister of external affairs on 13 September, was president of the University of Toronto and had never before held political office. In his approach to foreign affairs he appears to be following a long-held personal conviction that as a neighbor of both the United States and the USSR, Canada must play the role of mediator. His call for a basic restudy of Canada's role and position in the UN's Disarmament Subcommittee seems in line with Prime Minister Diefenbaker's suggestion on 23 September that the subcommittee's membership be broadened and his statement that Canada would withdraw if it would help achieve this.

According to the Canadian delegate, Smith is not convinced of the Western position that test cessation should be linked to a cutoff of fissionable material production for weapons. The delegate added that Canada might find it difficult to vote against any resolutions calling for test suspensions.

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#### 4. YUGOSLAVS VOICE CONCERN OVER WESTERN MISTRUST

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The Yugoslav regime, apparently concerned that its rapprochement with the USSR has seriously imperiled its Western ties, has lost no opportunity to persuade Western representatives that Yugoslavia has not abandoned its middle position between the East and West.

In a prolonged conversation with US Senator Ellender on 26 October, President Tito was "distinctly emotional" regarding ties with the West and Western mistrust of his good faith. He denied that Soviet pressure was involved in the Yugoslav decision to recognize East Germany and said it was ridiculous to believe the Yugoslavs had taken action in consequence of a Soviet offer to replace US aid. Yugoslav Acting Foreign Secretary Bebler claimed that Soviet policy toward Yugoslavia had changed for the better and that Yugoslavia has no alternative but to accept the change as genuine.

Yugoslav Vice President Kardelj, in his recent talks with the Greeks, reportedly declared that Yugoslavia feels it imperative to remain in the middle between the two blocs. Admitting that Yugoslavia cannot stand on its own, Kardelj indicated great concern that the curtailment of Western aid would seriously jeopardize Yugoslav ability to resist Soviet pressures.

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## 5. HUNGARY REPORTEDLY TO TRY NAGY IN NEAR FUTURE

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The Hungarian government plans to try former premier Imre Nagy in approximately two weeks on charges of "engaging in detrimental propaganda activity" because of the foreign

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publication of his so-called testament,

The similarity between this charge and that recently used by Belgrade to convict Milovan Djilas would be intended to avoid giving Tito any opportunity to criticize the handling of Nagy. During the Hungarian revolution in October 1956, Tito supported Nagy and provided him asylum in the Yugoslav embassy following the second Soviet intervention.

Recent reports that a trial of writers who co-operated with Nagy during the revolution is now under way lend credibility to the suggestion that the Kadar regime is ready to move against Nagy himself. Now that the anniversary of the national uprising has passed without incident, the regime probably believes it is in a strong position to dispose of unresolved issues stemming from the revolution and to move ahead with a program to normalize conditions in Hungary. This program might include a reduction in the number of Soviet occupation troops.

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## 6. SYRIAN-TURKISH TENSIONS

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Syrian-Turkish border tension continues, highlighted by Syrian charges of Turkish patrol incursions and of flights by unidentified aircraft over Syria. Although Syria's accusations may have some basis in fact, they, together with efforts to involve the populace in civil defense activities, appear designed primarily to maintain the atmosphere of crisis to support renewed debate

of the Syrian complaint in the UN General Assembly on 28 October.

The Syrians are willing to accept a visit by UN Secretary General Hammarskjold in lieu of a UN commission of inquiry, according to the counselor of the Egyptian embassy in Damascus. Egyptian domestic broadcasts, however, on 28 October quoted a statement by the secretary general of the Syrian Foreign Ministry to the effect that Syria seeks "a committee, formed on the basis of the regional representation of various blocs in the United Nations," but that it would not object if Hammarskjold headed this commission.

Turkey is apparently willing to accept a Hammarskjold visit, but is unwilling to permit an international UN inquiry mission on its territory.

Syrian acquiescence to a visit by the UN chief could be upset by renewed suspicion over forthcoming military exercises in Iraq. NATO land, sea, and air exercises, "Operation Red Epoch," are to be held from 30 October to 2 November off the southwest coast of Turkey, although scheduled air operations over Turkey have been canceled. The joint maneuvers by Iraqi forces are scheduled to take place in northeastern Iraq between 7 and 10 November. Most Iraqi air units, including all operational jet aircraft, are now in northern Iraq.

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7. INTERVENTION BY HAMMARSKJOLD IN TURKISH-SYRIAN SITUATION

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Any intervention by UN Secretary General Hammarskjold in the Turkish-Syrian situation would place him in a vulnerable position regarding his other mediation efforts in the Middle East as a whole and might complicate his relations with the USSR. The Norwegian UN delegate on 25 October emphasized that caution must be exercised to avoid causing strong Arab attacks which would lessen the effectiveness of the secretary general in the area. The Canadian delegation's instructions, according to one of its members, were clearly to avoid any action that "might injure the secretary general."

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Contrary to earlier indications that the USSR might welcome intervention by the secretary general, Soviet Foreign Minister Gromyko at a 25 October Eastern European caucus spoke sarcastically of the secretary general's introducing himself into the situation. He intimated this would create a "liability" in Hammarskjold's future relations with the USSR.

Hammarskjold is well aware of the risks involved and can be expected to exhibit even more reserve and caution than he maintained during the Suez crisis last year. He has described the role of Syrian-Turkish mediator as an "incredibly exposed job."

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8. **MENDERES REGIME GAINS VOTE OF CONFIDENCE  
IN TURKEY**

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Turkey's re-election on 27 October of the Democratic regime of Prime Minister Menderes, while not the "sweeping" victory claimed by Menderes, sustains his decisive control of the government. The final count will probably give the Democratic party over 400 of the 610 assembly seats.

Menderes has shown no intention of altering his basic policies. Turkey will undoubtedly continue to maintain a firm policy toward Syria. Once his government is formed after the assembly convenes on 1 November, he will probably seek some method of strengthening the value of the Turkish currency and of controlling the continuing inflation, including a request for extraordinary financial assistance from the US. Menderes may be expected to continue to push his industrialization and urban development schemes.

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## 9. FRENCH POLITICAL CRISIS

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Mollet's failure to win assembly approval emphasizes the depth of the differences between the non-Communist left and right in the French National Assembly. President Coty regarded Mollet as his ace in the hole

and expected him to be able to reconcile differences over financial policy. His defeat considerably narrows the field of possible candidates and there will probably be increased speculation that General De Gaulle will return.

A press report from Paris states that Radical Socialist Felix Gaillard, finance minister in the Bourges-Maunoury government was called by President Coty to the Elysee Palace early on 29 October. Gaillard's austerity program alienated a good number of rightist deputies and he would have difficulty obtaining the support of Independents and Peasants. The center position of the Popular Republican party may make one of their deputies, such as Robert Schuman or Pierre Pflimlin, a likely compromise candidate.

Pressure stemming from France's deteriorating financial situation continues to mount as prices rise, labor steps up its demands, and government finances worsen. Although the right has opposed price controls and increased taxes, it may be willing to accept Popular Republican leader Schuman's pessimistic economic report to President Coty on 21 October as the basis of a policy as long as a Socialist is not implementing it.

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# 10. THE SITUATION IN GUATEMALA

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The Communists stand to gain from the new Guatemalan political situation, in which middle-of-the-road political forces of the late president Castillo Armas are now discredited and virtually destroyed. The army, since 1954 the bulwark against the extremes of right and left, is weakened by factionalism and lacks strong leadership.

The Communists may gain, not through any sudden increase in their numbers (they have only about 300 to 500 party members) but because they have already infiltrated the leftist Revolutionary party, and this party has emerged from the political disturbances of last week in a relatively strong position. It will probably participate in the presidential and congressional elections promised for the near future and might win. There are sound liberal elements in the party who are now trying to purge the party of Communists, but there are also many others who worked with the Communists during the pro-Communist Arbenz regime.

Rightist Miguel Ydigoras Fuentes, runner-up in the annulled 20 October presidential election who nearly gained power last week on a wave of postelection mob violence, proclaims confidence in his ability to win the new elections. However, many of the votes he received on 20 October were cast more in opposition to the then-dominant administration party than in his favor. Some Ydigoras supporters fear he will not win the elections and consider their only hope is a new military coup in Ydigoras' favor.